

23 FEB 1967

NOTE TO : C/RB

1. I have discussed your memo of 13 February and my own views with DD/Pers/Ops. It is our belief that no harm will be done and an awful lot of good might take place if we ensure that at the time of the one-year notice to the prospective retiree, the employee is advised as to the rules concerning payment of accrued annual leave. For those individuals who have leave that has to be used, the one-year notice will provide plenty of time for the individual to plan use of that leave. Would you consider the appropriate mechanism for ensuring that this item is taken care of. We may want to amend the reg on that particular point.

2. Incidentally, are we now following the rule that after the 5-year letter goes out we get some feedback as to the employee's intention to contact you? I have forgotten the specifics of our implementation of the I. G. recommendation, but I know we will get "burned" if we are not doing what we told the I. G. we would be doing.


C/BSD

13 FEB 1967

NOTE TO : C/BSD

Ben:

As far as retirees are concerned, I don't think this is a problem. When an individual applies for retirement, he is fully briefed on his excess annual leave. In fact, we work out in every case with the Operating Component to establish a date of retirement and a last work day which is earlier so that all excess leave can be taken so it won't be lost. The above is based on the assumption that individuals give us enough time between application for retirement and effective date.

The only time that a person might lose leave would be (1) if he is not knowledgeable about excess leave, and (2) he applies so late in the calendar year that he doesn't have time to take his leave before 31 December. Any other time of application there is no problem because he can use it all before retiring.

I think most people know that if they have excess leave they will lose it if it isn't taken before the end of the leave year. I don't think the two-year letter is a good vehicle to go into the leave situation as this is strictly an administrative detail like "when they get their final check," "when annuity starts," etc.

As you know, this is not a problem for retirees only. Any person who separates late in the year may have this problem.

As far as we know, no one lost any leave in December 1966.


C/RB

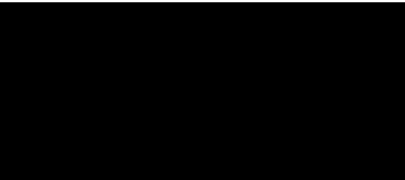
31 JAN 1967

MEMORANDUM FOR: Chief, Benefits and Services Division, OP

Ben:

Will you look into a system for notifying--
advising--retirees-to-be regarding the rules on annual leave.
I have heard of more cases in which the individual thought he
could retire on 31 December and be paid for a full accrual--
i.e. 30 plus 26. Some cases were complicated by escrow
balances with State.

I should think that a one-page spell-out
might go with the two-year letter.



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Approved For Release 2000/05/23 : CIA-RDP78-03091A000200010016-0

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	
SECRET			
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Chief, BSD/OP 5E-47 HQ		
2			
3			
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6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
Remarks:			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
Deputy Director of Personnel 5E-56 HQ			31 JAN 1967
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SECRET			

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	C/RB		
2			
3			
4			
5			
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

25X1A

I understand that [REDACTED] is handling the regulatory change. At any rate, we now look to D/Pers for any items that would normally have been sent to the Agency Retirement Board.

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FROM: NAME, ADDRESS AND PHONE NO.

DATE

C/BSO

5E47 HQ

300 x6872 6 FEB 1967

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FORM NO. 2-61 237 Use previous editions

(40)

ATTACHMENT: Memo dtd 30 Dec 66 to Exec Dir-Compt fr R.L. Bannerman, DD/S, subj: "Consolidation of Agency Retirement Boards."

NOTE: [REDACTED] was Special Assistant to the DD/S during this period. (IAQ)

SECRET-EYES ONLY

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8 December 1967

I am completely confused with the mass of charts and statistical information submitted by the Office of Personnel on retirement and the employment of annuitants. I am also having difficulty in separating these two problems. As I see it, one hinges on the other. If we decide to relax our current retirement policy, and I think we should, we would then be in a much stronger position morally and otherwise to establish a rigid policy on the employment of annuitants.

I think what troubles me most is the use of former employees to evade personnel ceilings and/or provide with additional income, deserving though they may be.

Whatever formula we decide upon for the use of annuitants I strongly recommend that we not include in it any mention of "for compassion reasons". Further, while I realize it would be burdensome on you, I would also recommend that all requests for employment of annuitants be sent to the Executive Director for final decision. I firmly believe that the best interests of the Agency will be served by requiring the approval, or disapproval as the case may be, of a disinterested party.

Attached is a proposal in broad outline for a new retirement policy for those employees under the Civil Service system. If something like this is adopted, then I believe a policy for employment of annuitants will fall into place more easily. The paper [REDACTED] submitted on this subject (for our 5 December meeting), with some modifications, would be acceptable to me.

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SECRET-EYES ONLY

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SECRET-EYES ONLY

1. Present Agency policy on retirement under the Civil Service system encourages employees to retire voluntarily upon reaching age 60 or as soon thereafter as they are eligible for optional retirement; that is, employees are expected to retire at age 60 upon completion of 20 years of service or at age 62 after a minimum of 5 years of service.

2. Because the Agency itself is only 20 years old, a retirement policy that is primarily age-centered is almost certain to result in inequities. There is in fact an inequity operating today and which will prevail over perhaps the next decade for a particular age-segment of the Agency population.

a. Statistical presentations show that the bulk of our new professionals are hired under ages 30-35 and in grades below GS-11. Most of them will have 30-35 years of service by the time they reach age 60, which will yield retirement annuities of 56 to 66 percent of average high-five.

b. Although I have no precise statistics on this, it seems likely that most personnel who are now in their forties can expect to receive similarly ample retirement annuities. Many of them entered federal service during the war years and will have 30-35 years of service at age 60.

c. It would appear that the truly troublesome group is comprised of those who are now at or nearing age 60. Many of them also entered federal service during the war but at a distinctly older age; many first entered government service with the Agency during the heavy influx in the late forties and early fifties. They are now approaching age 60 and have years of federal service in the low twenties. For example: the employee who entered the service in 1942 (the big draft year) at age 25 will not reach age 60 until 1977, at which time he will have 35 years of service; on the other hand, the employee who entered the service in 1942 at age 35 reaches 60 in 1967 and would have only 25 years of service. If he entered federal service later or at an older age, he may be subject to retirement under our present policy with as few as 20 years of service--or even less.

SECRET-EYES ONLY

SECRET - EYES ONLY

3. Our age-centered retirement formula is discriminatory in that it operates to the disadvantage of a quite small age-segment of the Agency population who accepted employment with us in the expectation that they would be retired in accordance with the Civil Service formula (mandatory at age 70 with at least 15 years of service).

4. The inequity and the element of discrimination can be substantially reduced by converting from a retirement policy that is primarily age-centered to one that is based first on years of service. Age must be taken into account, of course, but it should be the secondary rather than the primary criterion.

5. Although I again have no firm statistics, I estimate that the great bulk of our employees now under 50 years of age and in the Civil Service system may look forward to assured annuities in excess of 50% of average high-five. The annuity computation formula (1-1/2% for each of the first 5 years, 1-3/4% for each of the next 5 years, and 2% for each year in excess of 10) gives these percentages: 36.25% for 20 years of service, 46.25% for 25 years, 56.25% for 30 years, and 66.25% for 35 years.

6. Since by the time the Agency itself is 30 years old the bulk of our employees retiring under the Civil Service system will receive annuities of at least 50% of average high-five, it would seem more equitable to alter our present policy so as to assure most of our already rather elderly employees a like percentage. Twenty-seven years of service earns an annuity of 50.25% of average high-five.

7. This is a suggested formula:

Optional retirement at age 60 with 20 years of service or at age 62 with 5 years of service.

Involuntary retirement (at the discretion of the Director) at age 60 with 27 years of service or at age 55 with 30 years of service. The employee with less than 27 years of service at age 60 would be permitted to continue working until he completed 27 years of service, but not beyond age 70.

Mandatory separation at age 70.

SECRET - EYES ONLY